

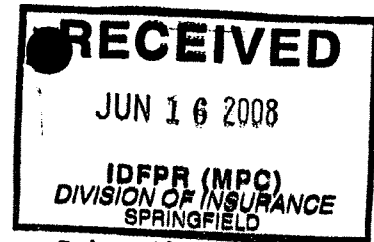


40 Wall Street - 9<sup>th</sup> Floor  
New York, New York 10005

**FILED**

DEC 21 2009

**STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS**



**Robert Alonzo**

State Filing Analyst  
P & C State Filing Unit  
CNA Global Specialty Lines

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Facsimile 212-440-2877  
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June 13, 2008

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DIVISION OF INSURANCE  
PROPERTY AND CASUALTY COMPLIANCE UNIT  
320 W WASHINGTON ST  
SPRINGFIELD IL 62767-0001

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545 ✓  
RATE | RULE National Dental Program -Rate Filing  
Our File # 08-R2220

To Whom It May Concern:

On behalf of Continental Casualty Company, we submit for your review and approval the attached revised rates/rules for use with our approved National Dental Program currently on file with your department.

Enclose for your review please find:

- revised manual pages;
- actuarial memorandum.

We propose that this filing be effective for policies written on or after July 15, 2008, or the earliest date permitted by your state.

If you should need additional information, please feel free to contact me.

Sincerely,

*Robert Alonzo*

Robert Alonzo  
State Filing Analyst

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NEW  
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Jeh

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 0.0%

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial	\$0	
2. Automobile Physical Damage Private Passenger Commercial	\$0	
3. Liability Other Than Auto	\$733,005	0.0%
4. Burglary and Theft	\$0	
5. Glass	\$0	
6. Fidelity	\$0	
7. Surety	\$0	
8. Boiler and Machinery	\$0	
9. Fire	\$0	
10. Extended Coverage	\$0	
11. Inland Marine	\$0	
12. Homeowners	\$0	
13. Commercial Multi-Peril	\$217,386	0.0%
14. Crop Hail	\$0	
15. Other _____	\$0	
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): \_\_\_\_\_  
With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program. The changes are itemized by coverage in the enclosed actuarial memorandum.

\*Adjusted to reflect all prior rate changes.

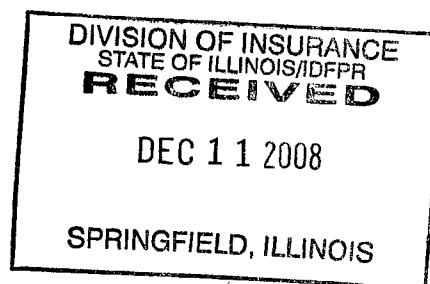
\*\*Change in Company's premium level which will result from application of new rates.

Continental Casualty Company

Name of Company

Jean Fleischner - VP

Official - Title



## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 7/15/2008

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial		
2. Automobile Physical Damage Private Passenger Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other _____		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program. The changes are itemized by coverages in the: Voluntary Coverage, Dental Radiologists, New Dentists Discount, Group Discount, Increase Limit Factors, Consulting Services Liability, Special Events Endorsements, Per Location GL Limit, ERISA Rates, Fire Water Legal Liab, Business Income Waiting Period, Business Income Limit, Employee Dishonesty, Ordinance or Law Tenant Improvements or Betterments, Equipment Breakdown Coverage, & Back of Sewer or Drain Coverage.

\*Adjusted to reflect all prior rate changes.

\*\*Change in Company's premium level which will result from application of new rates.

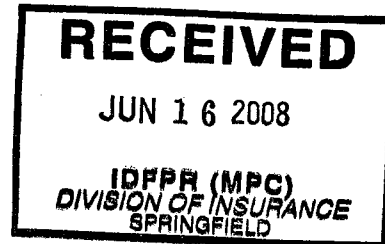
Continental Casualty Company

Name of Company



Jean K. Fleischner - VP

Official - Title



ILLINOIS CERTIFICATION FOR  
MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Daniel J. Flick, a duly authorized officer of Continental Casualty Company, am authorized to certify on behalf of the company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.

I, Daniel J. Flick, FCAS, MAAA, a duly authorized actuary of The Casualty Actuarial Society, am authorized to certify on behalf of Continental Casualty Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.

Daniel J. Flick, Senior Vice President & Actuary  
Signature and Title of Authorized Insurance Company Officer

12/10/08  
Date

Daniel J. Flick, Senior Vice President & Actuary  
Signature and Title of Authorized Actuary

12/10/08  
Date

Insurance Company FEIN 36 - 2114545

Filing Number 08-2220

Insurer's Address 40 Wall Street - 9<sup>th</sup> Fl

City New York, State NY Zip Code 10005

Contact Person's:

- Name and E-mail Robert Alonzo robert.alonzo@cna.com

- Direct Telephone and Fax Number 212-440-3478 Fax 212-440-2877

**Continental Casualty Company**  
**Dental Professional Program**

**Actuarial Memorandum**  
**Illinois**

DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
**RECEIVED**

DEC 11 2008

SPRINGFIELD, ILLINOIS

With this filing, Continental Casualty Company ("CNA") proposes a number of changes to its Dental Professional Program in Illinois. The overall impact of these changes is 0.0%. These changes are itemized below:

**Changes to the Countrywide Pages:**

**Volunteer Coverage**

A class has been added for Volunteer Dentists. The existence of the coverage has been added to page CCC-DENTAL-GENERAL-2, CCC-DENTAL-PL-1, and CCC-DENTAL-PL-3. As this is a new class, there will be no rate impact.

**Dental Radiologists**

The Dental Radiologists class code has been added to Class I. The Class I rates will be used for these professionals. See page CCC-DENTAL-PL-1. As this is a new class, there will be no rate impact.

**New Dentist Discount**

The format of the New Dentist Discount section has changed, which has caused no change to the use of the discount. A licensed dentist who has only previously practiced in the public service sector has been added as a definition of a new dentist. See page CCC-DENTAL-PL-2. The rate impact will be negligible due to this addition.

**Group Discount**

A 15% discount has been added for single group practice policies issued to ten or more dentists to page CCC-DENTAL-PL-5.

**Increased Limit Factor**

An increased limit factor for \$2M/\$6M has been added to pages CCC-DENTAL-PL-6 and CCC-DENTAL-GL-1. Since these limits are being offered in addition to our other limits, there will be no rate impact.

**Consulting Service Liability**

The charge for the Consulting Service Liability coverage has been removed. (CCC-DENTAL-PL-9) The rate impact will be negligible due to this subtraction.

**Special Events Endorsement**

The charge for the Special Events Endorsement has been removed. See pages CCC-DENTAL-PL-3 and CCC-DENTAL-GL-1. The rate impact will be negligible due to this subtraction.

**Per Location General Liability Limit**

The ability to buy aggregate limits per location has been added. Previously, insureds were only able to buy aggregate limits for all locations. Since the limit is being offered in addition to the aggregate limit for all locations, there will be no rate impact. (CCC-DENTAL-GL-1)

**ERISA rates**

Increased limits have been added for the ERISA coverage. The \$500K and \$1M rates are based off of our CNA Connect rates, and the \$250K and \$750K rates are interpolated using an exponential curve. The change is reflected on page CCC-DENTAL-GL-2. There will be no rate impact since these are new limits.

**Fire/Water Legal Liability**

Additional Limits are added for Fire and Water Legal Liability coverage based on the rates for CNA's Long Term Care coverage. Since these limits are being offered in addition to our basic limit, there will be no rate impact. See page CCC-DENTAL-GL-2.

**Business Income Waiting Period**

The option of eliminating the 24 hour waiting period for Business Income average has been added. See page CCC-DENTAL-PROPERTY-2. Because this is a new option, there will be no rate impact.

**Business Income Limit**

The ability to remove the \$1M limit for Business Income coverage has been added to page CCC-DENTAL-PROPERTY-2. Because this is a new coverage, there will be no rate impact.

**Employee Dishonesty**

The limit of liability for Pension and Welfare coverage has been increased from \$15,000 to \$25,000 at no additional charge. See page CCC-DENTAL-PROPERTY-3.

**Ordinance or Law Tenant Improvements or Betterments**

Coverage has been added for Ordinance or Law Tenant Improvements or Betterments to page CCC-DENTAL-PROPERTY-3. Because there is no charge, and this is a new coverage, there will be no rate impact.

**Back of Sewer or Drain Coverage**

Rates were adopted from CNA's Business Owners Package Policy. As this is a new coverage, there is no rate impact. See page CCC-DENTAL-PROPERTY-4.

**Changes to the State Pages:**

There were no changes to the State Pages.

Revised versions of the countrywide manual pages reflecting the changes outlined above are included with this submission.

**Neuman, Gayle**

---

**From:** Robinson, Sharon [Sharon.Robinson2@cna.com]  
**Sent:** Thursday, December 18, 2008 2:57 PM  
**To:** Neuman, Gayle  
**Cc:** Alonzo, Robert A.  
**Subject:** Continental Casualty Company - National Dental Program - Filing #08-R2220  
**Attachments:** CCC CW Pages 0708.pdf

Dear Ms. Neuman:

Thank you for your email dated December 16, 2008. Please note our following response to the issue you raised.

- **In reviewing the pages provided with your response, page CCC-DENTAL-PROPERTY 4 varies from the submission to your response dated December 11, 2008. In the 12/11 copy, it includes a rate chart for dentist's equipment breakdown coverage with information running onto CCC-DENTAL-PROPERTY 5. Please advise which copy is to be filed.**

The copy that includes the chart should be filed. To ensure there is no further confusion a copy of the Countrywide Pages will be reattached for your review.

Thank you.

*Sharon A. Robinson*

<<CCC CW Pages 0708.pdf>>

**From:** Neuman, Gayle [Gayle.Neuman@illinois.gov]  
**Sent:** Tuesday, December 16, 2008 3:13 PM  
**To:** Alonzo, Robert A.

**Subject:** RE: Continental Casualty Company - National Dental Program - Filing #08-R2220

Mr. Alonzo, In reviewing the pages provided with your response, page CCC-DENTAL-PROPERTY 4 varies from the submission to your response dated December 11, 2008. In the 12/11 copy, it includes a rate chart for dentist's equipment breakdown coverage with information running onto CCC-DENTAL-PROPERTY 5. Please advise which copy is to be filed. Your response is requested by no later than December 23, 2008. Gayle Neuman Divi

sion of Insurance

E-MAIL CONFIDENTIALITY NOTICE: The contents of this e-mail message and any attachments are intended only for the individual(s) named. If you are not the named addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient, you are notified that any use, dissemination, distribution, or storage of this message or any attachment is strictly prohibited. If you are the intended recipient and you do not wish to receive this message, please notify the sender by reply e-mail and then delete this message and any attachments.

12/19/2008

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. APPLICATION OF MANUAL RULES**

- A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the dental profession.
- B. The rules, rates, rating plans and forms filed on behalf of the Company and not in conflict herewith shall govern in all cases not specifically provided for herein.
- C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

**II. POLICY TERMS**

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

**III. PREMIUM COMPUTATION**

- A. Compute the premium at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for less than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's classification and corresponding code number.

**IV. FACTORS OR MULTIPLIERS**

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

**V. POLICY WRITING MINIMUM PREMIUM**

The minimum premium shall be \$250.00 per annual or lesser period.

**VI. WHOLE DOLLAR RULE**

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount; or
- B. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.



**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**VII. ADDITIONAL PREMIUM CHARGES**

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change, even if the policy inception premium was less than the policy writing minimum premium.
- C. Waive additional premium of \$15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

**VIII. RETURN PREMIUM**

- A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Waive return premium of \$15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.
- E. Retain the policy writing minimum premium.

**IX. COVERAGES**

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

Professional Liability and General Liability  
Professional Liability, General Liability, and Property  
Professional Liability only  
General Liability and Property  
Property Only  
Non-Student Dental Board Exam  
Student Dental  
Volunteer Dental

Note: General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

- A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

- 1. Special Extra Expense (HIV);
- 2. Defense Coverage - Dental Professional Licensing Board; and
- 3. Employment Practices Liability - \$25,000 per Claim/\$25,000 Aggregate Defense Coverage\*

\* Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

4. Defendant's Reimbursement - \$500 per day, and \$5,000 per suit

**B. Business Liability on an occurrence basis.**

Required coverages under business liability are:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - \$500,000 per occurrence;
3. Medical Payments Coverage - \$5,000 per person/\$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - \$1,000,000 each occurrence;
5. Medical Waste Legal Expense Reimbursement.

**C. Property on an occurrence basis.**

Required coverages under property are:

1. Blanket Dental Practice Personal Property
2. Practice Income

**D. Non-Student Dental Board Exam on an occurrence basis.**

Required coverage under board exam is Professional Liability.

**E. Student Dental on a claimsmade basis.**

Required coverage under student dental is Professional Liability.

**X. BLACK BAG COVERAGE - Equipment Floater**

Black Bag Coverage may be purchased according to the following table:

\$100.00 premium for \$4,000.00 limits.

Higher limits may be purchased for \$15.00 per \$1,000.00 in values.

**XI. PACKAGING OF COVERAGES**

If Professional Liability coverage is purchased in conjunction with Property coverage, package discount factors shall be applied to the Professional Liability and General Liability rates. The package discount factors are stated on the respective State Rate Page.

**XII. POLICY CANCELLATIONS**

- A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.
- B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.
- C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage**

The premium for the policy shall be the sum of the applicable charges developed below.

- A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

<u>Class</u>	<u>Description</u>	<u>Code No.</u>
I.	Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. Also, dental radiologists are included.	80211 & 80253
III.	All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply.	80210
IV.	Dental School Faculty – Teaching dentists and graduate students with no intramural practice.	80213
VI.	Professional Corporations or Partnerships	80999
IX.	Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia.	90100
X.	Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia.	90101
XI.	Volunteer Dentists providing dental services and receiving no remuneration.	72990

- B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.
2. If the dentist has been insured under a "claims-made" policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
  - a. determine the number of years in which the dentist was covered under such claims-made policy(ies);
  - b. determine the number of years in which the dentist was uninsured;

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

- c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
- d. the sum of years developed in c. above shall be the Years of Prior Exposure. The Table is entered at the total prior Years of Exposure, plus one.

The factors in the following Table shall be applied to the full time Class I., III., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

Classes	Step Rate Factors				
	Year 1	Year 2	Year 3	Year 4	Year 5
I, III, IX, X	0.29	0.54	0.73	0.81	0.90

- C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

**II. ADDITIONAL CLASSIFICATIONS**

**A. New Dentist**

A "new" dentist is defined as one of the following who enters full-time private or group practice:

- i. a student who has completed their training within the previous twelve months from license date
- ii. a military dentist within twelve months of honorable military discharge
- iii. a foreign dental school graduate who has not previously practiced in the US or its territories
- iv. a licensed dentist who has only previously practiced in the public service sector.

The following credits will apply:

60% of the first year in practice  
40% of the second year in practice  
20% of the third year in practice  
10% of the fourth year in practice

**B. Corporations/Partnerships/Associations**

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

- a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or
- b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

C. Additional Insured

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

A Special Events endorsement (PL) may be added at no additional charge.

D. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

E. Part Time

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

F. Professional Societies

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

<u>Rating Basis</u>	<u>Premium</u>
Insured Society	\$255.00 Flat Charge
Component Society (member society of insured society)	\$ 51.00 Flat Charge

G. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

H. Volunteer Dentist

Coverage is written on an occurrence only basis for an annual premium of \$200.

**III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists**

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**IV. MINIMUM LIMITS OF LIABILITY**

Minimum limits of liability under this program shall be as follows:

**Professional Liability:**

1. Individual Practice:
  - a. Claims-Made: \$1,000,000 each claim  
\$3,000,000 aggregate
  - b. Occurrence: \$1,000,000 each claim  
\$1,000,000 aggregate
2. Dental Societies:  
(Claims-Made) \$1,000,000 each claim  
\$3,000,000 aggregate
3. Independent Contractor: Equal to above as appropriate

**V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY**

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

**A. Schedule Rating**

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

	<u>Credit</u>	<u>Debit</u>
<u>Procedure Mix</u>	0 – 25%	0 – 25%
Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.		
<u>Exposure Modification</u>	0 – 25%	0 – 25%
Applicable to those insureds who have an increased or reduced exposure.		
<u>Unusual Risk Characteristics</u>	0 – 25%	0 – 25%
<b>B. <u>Loss Prevention / Risk Management</u></b>	5 – 10%	XXX
A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.		

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Experience Rating**

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

**D. Group Discounts**

A single group practice policy issued to ten or more dentists is eligible for a premium discount based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduced administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discount is applicable:

<u>Group Size</u>	<u>Premium Credit</u>
10+	15%

**VI. CHANGE OF CLASSIFICATION**

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

- A. both the prior and current classification falls within the same class;
- B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;
- C. the practitioner changed classifications at any time while insured under occurrence coverage; or
- D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

**Premium Adjustment**

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

- A. Calculate the at-limits Extended Reporting Period premium appropriate for:
  - 1. the previous classification according to the rates and rules contained herein; and
  - 2. the premium appropriate for the current classification.
- B. If the at-limits Extended Reporting Period premium for the current classification:
  - 1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied; or
  - 2. exceeds the premium for the previous classification, there shall be no charge.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

Discount

100%	10 consecutive years of CNA coverage
90%	9 consecutive years of CNA coverage
80%	8 consecutive years of CNA coverage
70%	7 consecutive years of CNA coverage
60%	6 consecutive years of CNA coverage
50%	5 consecutive years of CNA coverage
40%	4 consecutive years of CNA coverage
30%	3 consecutive years of CNA coverage
20%	2 consecutive years of CNA coverage
10%	1 full year of CNA coverage
0%	Less than 1 full year of CNA coverage

**VII. INCREASED LIMITS OF LIABILITY**

Higher limits on **claims-made** policies may be elected up to a maximum liability limit of \$5,000,000 per claim/\$8,000,000 aggregate on the following basis:

Limits of Liability	<u>Increased Limit Factor</u>	
	<u>Classes</u>	
	<u>I &amp; IX</u>	<u>III &amp; X</u>
\$1,000,000/3,000,000	.020	.020
\$2,000,000/3,000,000	.160	.190
\$2,000,000/4,000,000	.176	.206
\$2,000,000/6,000,000	.204	.234
\$3,000,000/3,000,000	.260	.300
\$3,000,000/6,000,000	.308	.348
\$4,000,000/4,000,000	.325	.375
\$5,000,000/5,000,000	.375	.425
\$5,000,000/8,000,000	.424	.474

Rates are based off of the \$1,000,000/1,000,000 rates.

Higher limits on **occurrence** policies may be elected up to a maximum liability limit of \$2,000,000 per claim/\$2,000,000 aggregate on the following basis:

Limits of Liability	<u>Increased Limit Factor</u>	
	<u>Classes</u>	
	<u>I &amp; IX</u>	<u>III &amp; X</u>
\$1,000,000/3,000,000	.020	.020
\$2,000,000/2,000,000	.150	.180

Rates are based off of the \$1,000,000/1,000,000 rates.



**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**VIII. EXTENDED REPORTING PERIOD COVERAGE** (Claims-Made Coverage only)

- A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:
1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.
  2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.
  3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.
  4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.
  5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured is at least 55 years of age and has been continuously insured by us for at least 5 consecutive years.

This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.
7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.
8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any monies received by the Company from the insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

9. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

Years of Prior Claims-Made Coverage	Installment Factors			Prepaid Factors
	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>	
1	.31	.23	.30	.79
2	.51	.35	.46	1.23
3	.61	.49	.46	1.45
4 or more	.73	.49	.46	1.57

- B. A one year extended reporting period for both the Employment Practices Liability (EPL) Defense Only coverage and the EPL Indemnity & Defense coverage is available. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.

Insureds that are converting their EPL Defense Only coverage to the EPL Indemnity & Defense coverage will be afforded a free unlimited extended reporting period on their expiring Defense Only coverage.

- C. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.

**IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)**

- A. The policy may be extended to provide Prior Acts Coverage as follows:
1. The Prior Acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims-made policy, nor shall limits of liability exceed those of the occurrence policy to which the Prior Acts endorsement shall be applied.
  2. The premium for Prior Acts Coverage is a one time only charge payable in advance or over the first three policy years in annual installments, but calculated in advance by applying the applicable factors from the table shown to the current rate under this policy for limits of \$1,000,000/\$1,000,000.
  3. If the limit of liability under this coverage is less than \$1,000,000/\$1,000,000, the premium developed shall be adjusted by the Prior Acts Decreased Limits Factors shown.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of \$1,000,000/\$1,000,000.
2. Enter the table at the appropriate Prior Acts Period.
3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

Prior Acts Period	Reporting Period			Prepaid Factors
	1st year	2nd year	3rd year	
1 year prior	.28	.25	.22	.71
2 years prior	.45	.41	.32	1.11
3 years prior	.55	.44	.40	1.31
4 or more years prior	.62	.45	.42	1.41

4. Apply the appropriate Decreased Limits Factor, if applicable:

<u>Decreased Limits (in \$000s)</u>	<u>Factor</u>
\$100 / \$300	.449
200 / 600	.590
250 / 750	.638
300 / 800	.682
400 / 900	.760
500 / 1,000	.816
1,000 / 1,000	1.000

C. Prior Acts for Employment Practices Liability Indemnity & Defense Coverage

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is \$30.

**X. LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

**XI. Consulting Service Liability**

Consulting Service Liability coverage is included on a shared limit basis at no additional cost.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. BUSINESS LIABILITY - (General Liability)**

**A. General Liability coverage written in conjunction with Property coverage (with or without Professional Liability coverage)**

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. If aggregate limits are to be applied separately to each location, the "first office" rate is to be used for each location. The "each additional office" charge shall not apply to Independent Contractors.

First Office:	\$175.00
Each Additional Office:	\$122.00

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

**B. General Liability coverage written in conjunction with Professional Liability coverage only**

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. If aggregate limits are to be applied separately to each location, the "first office" rate is to be used for each location. The "each additional office" charge shall not apply to Independent Contractors.

First Office:	\$50.00
Each Additional Office:	\$39.00

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

**C. Additional Insured**

An employer may be added to the policy at a charge of 5% of the policy's General Liability charge.

A Special Events endorsement (GL) may be added at no additional charge.

**II. LIMITS OF LIABILITY – (General Liability)**

The rates listed above are for limits of \$1,000,000 (each claim) / \$2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the \$1M/2M rate).

Individual Practice:

Increased Limit	Increased Limit Factor
\$1M/2M	1.000
\$1M/3M	1.011
\$2M/2M	1.071
\$2M/3M	1.085
\$2M/4M	1.098
\$2M/6M	1.124
\$3M/3M	1.160
\$3M/6M	1.202
\$4M/4M	1.240
\$5M/5M	1.320
\$5M/8M	1.351

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**III. ERISA FIDUCIARY AND EMPLOYEE BENEFITS LIABILITY INSURANCE**

This coverage may be provided at the following limits and rates:

<u>Limit</u>	<u>Premium</u>
\$100,000/100,000	\$132
\$250,000/250,000	\$162
\$500,000/500,000	\$200
\$750,000/750,000	\$227
\$1,000,000/1,000,000	\$250

**IV. FIRE AND WATER LEGAL LIABILITY**

The annual premium charges for Fire Damage limits excess of basic limit of \$500,000 are:

<u>Limit</u>	<u>Premium</u>
\$750,000	\$63
\$1,000,000	\$125

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. CALCULATION OF PREMIUMS - Property Coverages**

- A. The premium shall be the sum of the applicable charges developed below.
- B. The premium for coverage shall be determined by applying the following to the limits of liability:
1. Building

Charge shall be determined by applying the following total rate to the limit of liability:

    - a. The applicable rates as shown on the State Rate Page (as determined by the insured's construction code).
    - b. The applicable rate in (a) will be modified by the applicable protection class factor shown on the State Rate Pages.
  2. Blanket Practice Personal Property
    - a. Limits of Liability for this coverage shall be calculated as the sum of the values for:
      - i. Contents at the premises;
      - ii. Property Off Premises;
      - iii. Accounts Receivable and Valuable Papers including x-rays and charts, we will automatically provide \$25,000 of coverage for these items.
    - b. Base rate shall be:
      - i. Specific annual Blanket Practice Personal Property rate (as shown on State Rate Page) based on the building's construction code,
      - ii. Multiplied by the appropriate protection class factor.
  3. Base rates for Building and/or Blanket Practice Personal Property contemplate a \$250 fixed dollar deductible with no Windstorm or Hail cause of loss. Higher fixed dollar deductibles and percentage deductibles for Windstorm or Hail are available with the following credit factors:

Fixed Dollar Deductible	Windstorm or Hail Deductible			
	None	1%	2%	5%
250	1.00	0.98	0.97	0.96
500	0.96	0.94	0.93	0.92
1,000	0.88	0.87	0.86	0.85
2,500	0.82	0.81	0.80	0.79
5,000	0.72	0.71	0.70	0.69
10,000	0.57	0.56	0.55	0.54

4. Inflation Protection Coverage

The insured must select to have the applicable limits of liability for Buildings increased automatically every quarter. In addition, the insured may elect to have the applicable limits of liability for Blanket Practice Personal Property increased automatically every quarter. Either coverage will be associated with an increase in accordance with the following table:

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

Quarterly Increase Percentage	% of Annual Building / Blanket Property Premium	Quarterly Increase Percentage	% of Annual Building / Blanket Property Premium
0.30%	0.45%	2.5%	3.75%
0.40%	0.60%	3.0%	4.50%
0.50%	0.75%	3.5%	5.25%
1.00%	1.50%	4.0%	6.00%
1.50%	2.25%	4.5%	6.75%
2.00%	3.00%	5.0%	7.50%

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

**5. Time Element Coverages - Practice Income, Rents, Extra Expense**

**a. Practice Income is provided on:**

- i. A Value Daily Limit basis, beginning no sooner than 24 hours after the loss occurs for 32.5 days. Coverage may be increased by lengthening the number of days coverage applies (up to a maximum of 180 days). Coverage limit equals the daily income. Apply the Blanket Practice Personal Property rate to the total aggregate limit to calculate premium charge, where the total aggregate limit is the daily coverage limit times the number of coverage days.
- ii. An Actual Loss Sustained basis, beginning no sooner than 24 hours after the loss occurs for a maximum of 12 months. Premium charge equals 11.5% of the final Blanket Practice Personal Property premium as calculated in Rule I.B.2.b. There is no charge for the Actual Loss Sustained if the amount of Daily Value Limit purchased is equal to the actual daily income as supported by financial documentation.
- iii. Ten percent of the Practice Income premium will be charged in order to provide coverage for the first 24 hours of the loss.

**b. Rents Coverage**

Charges will be determined by applying the following to the limit of liability:

- i. the applicable building rates; and
- ii. modified by a factor of .55.

**c. Extra Expense Coverage**

Extra Expense Coverage is provided on an Actual Loss Sustained Basis for a period of 12 months beginning no sooner than 24 hours after the loss occurs. This coverage is provided at no charge.

**d. Business Income Limit**

An endorsement can be applied to remove the \$1,000,000 limit on the Business Income coverage for a fee of \$500.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Optional Coverages**

**1. Dishonesty Coverage**

- a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of \$25,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.
- b. Employee Dishonesty Insurance will be charged on a "per policy" basis.
- c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional \$1,000 of coverage.

<u>Limits of Liability</u>		
<u>Money / Securities</u>	<u>Pension / Welfare</u>	<u>Premium</u>
50,000	25,000	245.00
75,000	25,000	332.00
100,000	25,000	425.00
<u>Increased Limits – Pension / Welfare (per \$1,000)</u>		<u>\$1.50</u>

2. Increased Theft coverage for Precious Metals, beyond the \$2,500 provided by the policy, may be purchased. The rate for such additional coverage shall be \$0.60 per \$100 of value.
3. Increased Values of Signs not attached to the Building may be purchased. Value of signs attached to the building shall be included in the valuation of the Building.
4. Ordinance or Law Building Coverage - The first \$100,000 is provided at no charge. Additional limits may be purchased according to the following:
  - a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.
  - b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per \$100.
5. Ordinance or Law Tenant Improvements and Betterments Coverage with a limit of \$100,000 is provided at no charge.
6. Increased amounts of Dentist's Electronic Equipment coverage and Dentist's Electronic Equipment Extra Expense coverage may be purchased. The rate for such additional coverage shall be \$0.50 per \$100.00 of coverage, if the insureds meets specified underwriting criteria. Otherwise, the rate for such additional coverage shall be \$0.75 per \$100.00 of coverage.



**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

7. Back Up of Sewer or Drain with a limit of \$25,000 is provided at no charge. Increased limits can be purchased using the following rates:

<u>Limit</u>	<u>Per Location Charge</u>
\$50,000	\$40
\$100,000	\$80

8. Dentist's Equipment Breakdown coverage may be purchased. The rates for such coverage are:

Coverage Limit	Dental Equipment	Dental & HVAC Equipment
\$100,000 or less	\$186	247
200,000	302	430
300,000	357	584
400,000	428	592
500,000	460	675
600,000	474	756
700,000	511	805
800,000	552	832
900,000	585	858
1,000,000	610	880
1,250,000	713	975
1,500,000	795	1035
1,750,000	858	1,102
2,000,000	933	1,144
2,500,000	1,029	1,228
3,000,000	1,075	1,312
3,500,000	1,125	1,372
4,000,000	1,162	1,433
4,500,000	1,193	1,479
5,000,000	1,221	1,522

9. The PPP Gold endorsement is available at a rate of \$100.

10. A flat premium of \$25 will be charged each policy.

**II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE**

This Plan shall be applied after the application of all other rating procedures.

- A. Eligibility: This Plan may be applied to:

Blanket Practice Personal Property Coverages  
Building Coverages

- B. Limitations: This Plan may not be applied to:

Employee Dishonesty Coverage  
Welfare and Pension Plan Coverage

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

Base Loading  
PPP Gold Endorsement  
Flat Premium  
Equipment Breakdown Coverage

**C. Rating Procedure**

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

<u>RANGE OF RISK CHARACTERISTICS</u>	<u>MODIFICATIONS</u>		
	<u>Credits</u>		<u>Debits</u>
1. LOCATION			
Accessibility, congestion and exposures	10%	to	10%
2. BUILDING FEATURES			
Age, condition, and unusual structural features	10%	to	10%
3. PREMISES AND EQUIPMENT			
Care, condition, and type	10%	to	10%
4. PROTECTION			
Not otherwise recognized	10%	to	10%

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**III. PACKAGING OF COVERAGES**

If Property coverage is purchased in conjunction with Professional Liability coverage, a package discount factor shall be applied to a number of the Property rates. The package discount factor is stated on the respective State Rate Page and will be applied to the following coverages:

- Blanket Practice Personal Property
- Building
- Practice Income
- Rents
- Dentists Equipment Breakdown
- Additional Building Coverage
- Increased Limits for Pension/Welfare

The following coverages are excluded from application of the package discount factor:

- Increased Limits on Fine Arts
- Loss Assessment
- Builders Risk
- PPP Gold Endorsement
- Flat Premium

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**BOARD EXAM COVERAGE**

- A. It is permissible to provide restricted coverage for individuals who sit for Board Exams, but are not students (e.g., military personnel, dental graduates, or other dentists without professional liability coverage that are required to take a state board exam).
- B. Coverage provided to eligible insureds shall:
1. be limited to Dental Professional Liability only;
  2. be provided on an occurrence basis;
  3. apply only for the length of time for which the person is eligible;
  4. have maximum limits of liability in the amounts of :  
  
          \$1,000,000        each claim  
          \$3,000,000        aggregate
- C. Policies will be issued on an annual basis.
- D. Class Description

<u>Class</u>	<u>Description</u>	<u>Code No.</u>
VIII.	Any individual not currently enrolled in an accredited institution, but while a candidate for certification and/or licensure as a dentist.	80221

- E. Premium

<u>Class</u>	<u>Premium</u>
VIII.	\$75.00

Premium is fully earned at inception.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. APPLICATION OF MANUAL**

- A. This manual provides rules and premium, applicable to Dental Students.

**II. POLICY TERM**

- A. The policy term shall be continuous until canceled.
- B. Individual Student Certificates will be written for a term of one year, and, automatically extended at no charge during the expected graduation year for up to a maximum of 6 months from the date of graduation in the event that certification or license is not immediately obtained.

**III. PREMIUM COMPUTATION**

Compute the premium at policy inception and subsequently as the sum of the premiums represented by the number of Certificates being issued, using the rules, rates and rating plans in effect at the time.

**IV. CANCELLATION**

Premium for individual Certificates is considered as fully earned and no return premium shall be granted.

**V. COVERAGE**

- A. Coverage under the Certificate shall be as described in the Policy, with the issuance of summarized Certificates to the Insured Dental Student.
- B. Coverage under this program is Professional Liability on a Claims-Made basis.

**VI. PRIOR ACTS COVERAGE**

Prior Acts Coverage shall not be provided under this program.

**VII. EXTENDED CLAIM REPORTING PERIOD COVERAGE**

The extended claim reporting period under this program shall be unlimited and shall be provided at no additional charge. The aggregate limit shall be separate from and equal to the aggregate limit provided by the Certificate.

**VIII. LIMITS OF LIABILITY**

Limits of Liability for this program shall be as follows:

Each Certificate	\$1,000,000 Each Claim
	\$3,000,000 Aggregate

**IX. CERTIFICATE PREMIUM**

<u>Class</u>	<u>Premium</u>
Dental Student	\$30.00

**X. CLASS DESCRIPTION**

Any student who is in the process of completing their training in dentistry while enrolled in an accredited institution.

**Code No.**

80225

**COMPANY STATE PAGE  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. Amended Rules - General**

**A. Rule XIII is added:**

Quarterly Installment Option:

The Company will offer individual insureds the option to make annual premium payments using quarterly or annual installments. When quarterly installments are selected, the following standards will apply:

- i) An initial payment of no more than 40% of the estimated total premium will be due at policy inception;
- ii) The remaining premium will be spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- iii) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less, will be assessed;
- iv) Availability will be subject to a minimum annual premium of \$500; and
- v) Quarterly installments will not be available for premium for any extension of a reporting period.
- vi) There will be no interest charges;
- vii) Any additional premium resulting from changes to policy, mid-term, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction

**II. Amended Rules - General Liability (GL)**

Reserved for future use.

**COMPANY STATE PAGE  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**IV. Amended Rules – Professional Liability (PL)**

- A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

	<u>Debit</u>
No claims during the experience period:	0%
One claim during the experience period:	
that occurred in the 5 <sup>th</sup> previous year:	5%
that occurred in the 4 <sup>th</sup> previous year:	10%
that occurred in the 3 <sup>rd</sup> previous year:	15%
that occurred in the 2 <sup>nd</sup> previous year:	20%
that occurred in the 1 <sup>st</sup> previous year:	25%
More than one claim during the experience period:	Refer to Company

A claim is defined as paid indemnity or indemnity reserve in excess of \$2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

- B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

- C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

- D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

- E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

- F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

**COMPANY STATE PAGE  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**V. Territorial Definitions – Professional Liability (PL)**

Territory I: Cook County  
 Territory II: Dupage, Kane, Lake and Will Counties  
 Territory III: Remainder of State

**VI. Rates – Professional Liability (PL)****A. Professional Liability****Occurrence Rates at \$1M/\$1M Limits**

Class	Terr I	Terr II	Terr III
I	\$4,045	\$2,973	\$2,825
III	22,059	16,214	15,411
IV	200	200	200
IX	14,156	10,405	9,889
X	28,311	20,809	19,778

**B. Employment Practices Liability – Defense Only**

The annual charge for this coverage will be \$60 per each named insured having separate \$25,000 limits of liability.

Corporations will share the \$25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the \$60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the \$60 defense charge.

**Employment Practices Liability – Indemnity & Defense**

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

Combined Indemnity & Defense Limit of Liability	Flat Rate for First 10 Employees
\$ 25,000	\$ 235
\$ 50,000	\$ 270
\$ 75,000	\$ 305
\$100,000	\$ 355
\$250,000	\$ 494
\$500,000	\$ 586
\$750,000	\$ 622
\$1,000,000	\$ 657

\$20 per employee over the first 10 employees.

Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.



**COMPANY STATE PAGE  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Extended Reporting Period Coverage for Employment Practices Liability**

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

**VII. Amended Rules - Property**

**A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.**

"Structure" means a dwelling, building or fixture permanently affixed to real property.

**1. Eligibility**

- a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

Bond	Jackson	Marshall	St. Clair
Bureau	Jefferson	Menard	Saline
Christian	Knox	Mercer	Sangamon
Clinton	LaSalle	Montgomery	Tazewell
Douglas	Logan	Peoria	Vermilion
Franklin	McDonough	Perr	Washington
Fulton	Macoupin	Putnam	Williamson
Gallatin	Madison	Randolph	
Grundy	Marion	Rock Island	

- b. Coverage must be provided in other counties if requested.

**2. Ineligibility**

The following are not eligible:

- a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;
- b. Coverage for Time element loss;
- c. Limits of Liability in excess of \$350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

**COMPANY STATE PAGE  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

<u>Coverage Limit</u>	<u>Frame</u>	<u>Other than Frame*</u>
\$10,000 or less	\$20.00	\$26.00
10,001 to 20,000	23.00	30.00
20,001 to 30,000	26.00	33.00
30,001 to 40,000	30.00	36.00
40,001 to 50,000	33.00	40.00
50,001 to 60,000	36.00	43.00
60,001 to 70,000	40.00	46.00
70,001 to 80,000	43.00	50.00
80,001 to 90,000	46.00	53.00
90,001 to 100,000	50.00	56.00
100,001 to 110,000	53.00	59.00
110,001 to 120,000	56.00	63.00
120,001 to 130,000	59.00	66.00
130,001 to 140,000	63.00	69.00
140,001 to 150,000	66.00	73.00
150,001 to 160,000	69.00	76.00
160,001 to 170,000	73.00	79.00
170,001 to 180,000	76.00	83.00
180,001 to 190,000	79.00	86.00
190,001 to 200,000	83.00	89.00
200,001 to 210,000	86.00	92.00
210,001 to 220,000	89.00	96.00
220,001 to 230,000	92.00	99.00
230,001 to 240,000	96.00	102.00
240,001 to 250,000	99.00	106.00
250,001 to 260,000	102.00	109.00
260,001 to 270,000	106.00	112.00
270,001 to 280,000	109.00	116.00
280,001 to 290,000	112.00	119.00
290,001 to 300,000	116.00	122.00
300,001 to 310,000	119.00	125.00
310,001 to 320,000	122.00	129.00
320,001 to 330,000	125.00	132.00
330,001 to 340,000	129.00	135.00
340,001 to 350,000	132.00	139.00

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

\* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

**COMPANY STATE PAGE  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

- B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

- C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

**VIII. Territorial Definitions – Property**

Territory I: 606XX (Chicago)  
 Territory II: 607XX (Chicago - South Suburban)  
 Territory III: 600XX - 604XX (Chicago North and West Suburban)  
 Territory IV: 620XX and 622XX (East St. Louis)  
 Territory V: 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois)  
 Territory VI: Remainder of State

**IX. Rates - Property**

- A. Blanket Practice Personal Property:

Construction (Code)	TER I	TER II	TER III	TER IV	TER V	TER VI
Frame (1)	0.419	0.374	0.396	0.374	0.351	0.396
Joisted Masonry (2)	0.351	0.309	0.330	0.309	0.296	0.330
Non-Comb (3) or Masonry						
Non-Comb (4)	0.210	0.186	0.198	0.186	0.176	0.198
Mod Fire Res (5) or Fire Res (6)	0.210	0.186	0.198	0.186	0.176	0.198

- B. Building:

Construction (Code)	TER I	TER II	TER III	TER IV	TER V	TER VI
Frame (1)	0.165	0.149	0.157	0.149	0.140	0.157
Joisted Masonry (2)	0.140	0.124	0.132	0.124	0.116	0.132
Non-Comb (3) or Masonry						
Non-Comb (4)	0.083	0.075	0.083	0.075	0.066	0.083
Mod Fire Res (5) or Fire Res (6)	0.083	0.075	0.083	0.075	0.066	0.083

Note: For statistical reporting purposes, the protection class code must be included in the application.

**COMPANY STATE PAGE  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Base All-Risk Load - Per Policy**

There will be a base All-Risk Loading of \$65 per policy.

**X. Package Discount Factors**

A. Property and General Liability: 0.89  
Professional Liability: 0.86

B. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

**XI. Protection Class Multipliers**

Protection Class	Multiplier
1	0.830
2	0.850
3	0.870
4	0.950
5	1.000
6	1.030
7	1.200
8	1.310
9	1.400
10	2.080

**Neuman, Gayle**

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**From:** Neuman, Gayle  
**Sent:** Tuesday, December 16, 2008 2:13 PM  
**To:** 'Alonzo,Robert A.'  
**Subject:** RE: Continental Casualty Company - National Dental Program - Filing #08-R2220

Mr. Alonzo,

In reviewing the pages provided with your response, page CCC-DENTAL-PROPERTY 4 varies from the submission to your response dated December 11, 2008. In the 12/11 copy, it includes a rate chart for dentist's equipment breakdown coverage with information running onto CCC-DENTAL-PROPERTY 5. Please advise which copy is to be filed.

Your response is requested by no later than December 23, 2008.

Gayle Neuman  
Division of Insurance

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**From:** Alonzo,Robert A. [mailto:Robert.Alonzo@CNA.com]  
**Sent:** Thursday, December 11, 2008 3:33 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Continental Casualty Company - National Dental Program - Filing #08-R2220

Dear Ms. Neuman:

Thank you for your correspondence email dated December 1, 2008. Please note our following response to the issues you raised.

The Actuarial Memorandum indicates an overall impact of -0.4%, however this figure was not indicated on the RF-3 Summary Sheet. Please correct this on the RF-3 Summary Sheet. Additionally, it appears this figure will be broken down into more than one category on the RF-3.

The RF-3 Summary Sheet is has been updated. The overall impact has been changed to 0.0%. We are withdrawing the Equipment Breakdown coverage change which accounted for the difference in overall impact. Along with the RF-3 we are providing you an updated memo, and updated countrywide and state pages.

215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.

Yes. CNA is an ISO reporting company and as such reports to ISO as required.

A copy will follow via e-mail,

Robert Alonzo

12/16/2008

**Neuman, Gayle**

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**From:** Alonzo, Robert A. [Robert.Alonzo@CNA.com]  
**Sent:** Thursday, December 11, 2008 3:33 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Continental Casualty Company - National Dental Program - Filing #08-R2220  
**Attachments:** IL RF3.doc; CCC CW Pages 0708.pdf; Illinois Certification Document.pdf; ActuarialMemo-IL updated.doc

Dear Ms. Neuman:

Thank you for your correspondence email dated December 1, 2008. Please note our following response to the issues you raised.

The Actuarial Memorandum indicates an overall impact of -0.4%, however this figure was not indicated on the RF-3 Summary Sheet. Please correct this on the RF-3 Summary Sheet. Additionally, it appears this figure will be broken down into more than one category on the RF-3.

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Yes. CNA is an ISO reporting company and as such reports to ISO as required.

A copy will follow via e-mail,

Robert ALonzo

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Wednesday, November 26, 2008 2:46 PM  
**To:** Alonzo, Robert A.  
**Subject:** Continental Casualty Company - National Dental Program - Filing #08-R2220

Mr. Alonzo,

The Division of Insurance is in receipt of the above referenced filing submitted by your letter dated June 13, 2008.

The Actuarial Memorandum indicates an overall impact of -0.4%, however this figure was not indicated on the RF-3 Summary Sheet. Please correct this on the RF-3 Summary Sheet. Additionally, it appears this figure will be broken down into more than one category on the RF-3.

215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.

Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to

12/12/2008

statistical agencies? If yes, what stat agency is being used?

Please forward via e-mail a copy of the manual pages submitted with this filing. When the pages are printed out for mailing, it is more difficult to see what words/numbers are highlighted for changes.

We request receipt of your response by December 11, 2008.

Gayle Neuman  
Property & Casualty Compliance, Division of Insurance  
Illinois Department of Financial & Professional Regulation  
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: [Gayle.Neuman@illinois.gov](mailto:Gayle.Neuman@illinois.gov)

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12/12/2008

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. APPLICATION OF MANUAL RULES**

- A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the dental profession.
- B. The rules, rates, rating plans and forms filed on behalf of the Company and not in conflict herewith shall govern in all cases not specifically provided for herein.
- C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

**II. POLICY TERMS**

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

**III. PREMIUM COMPUTATION**

- A. Compute the premium at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for less than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's classification and corresponding code number.

**IV. FACTORS OR MULTIPLIERS**

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

**V. POLICY WRITING MINIMUM PREMIUM**

The minimum premium shall be \$250.00 per annual or lesser period.

**VI. WHOLE DOLLAR RULE**

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount; or
- B. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.



**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**VII. ADDITIONAL PREMIUM CHARGES**

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change, even if the policy inception premium was less than the policy writing minimum premium.
- C. Waive additional premium of \$15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

**VIII. RETURN PREMIUM**

- A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Waive return premium of \$15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.
- E. Retain the policy writing minimum premium.

**IX. COVERAGES**

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

- Professional Liability and General Liability
- Professional Liability, General Liability, and Property
- Professional Liability only
- General Liability and Property
- Property Only
- Non-Student Dental Board Exam
- Student Dental
- Volunteer Dental

Note: General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

- A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

- 1. Special Extra Expense (HIV);
- 2. Defense Coverage - Dental Professional Licensing Board; and
- 3. Employment Practices Liability - \$25,000 per Claim/\$25,000 Aggregate Defense Coverage\*

\* Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

4. Defendant's Reimbursement - \$500 per day, and \$5,000 per suit

**B. Business Liability on an occurrence basis.**

Required coverages under business liability are:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - \$500,000 per occurrence;
3. Medical Payments Coverage - \$5,000 per person/\$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - \$1,000,000 each occurrence;
5. Medical Waste Legal Expense Reimbursement.

**C. Property on an occurrence basis.**

Required coverages under property are:

1. Blanket Dental Practice Personal Property
2. Practice Income

**D. Non-Student Dental Board Exam on an occurrence basis.**

Required coverage under board exam is Professional Liability.

**E. Student Dental on a claimsmade basis.**

Required coverage under student dental is Professional Liability.

**X. BLACK BAG COVERAGE - Equipment Floater**

Black Bag Coverage may be purchased according to the following table:

\$100.00 premium for \$4,000.00 limits.

Higher limits may be purchased for \$15.00 per \$1,000.00 in values.

**XI. PACKAGING OF COVERAGES**

If Professional Liability coverage is purchased in conjunction with Property coverage, package discount factors shall be applied to the Professional Liability and General Liability rates. The package discount factors are stated on the respective State Rate Page.

**XII. POLICY CANCELLATIONS**

- A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.
- B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.
- C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage**

The premium for the policy shall be the sum of the applicable charges developed below.

- A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

Class	Description	Code No.
I.	Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. Also, dental radiologists are included.	80211 & 80253
III.	All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply.	80210
IV.	Dental School Faculty – Teaching dentists and graduate students with no intramural practice.	80213
VI.	Professional Corporations or Partnerships	80999
IX.	Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia.	90100
X.	Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia.	90101
XI.	Volunteer Dentists providing dental services and receiving no remuneration.	72990

- B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.
2. If the dentist has been insured under a "claims-made" policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
  - a. determine the number of years in which the dentist was covered under such claims-made policy(ies);
  - b. determine the number of years in which the dentist was uninsured;

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

- c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
- d. the sum of years developed in c. above shall be the Years of Prior Exposure. The Table is entered at the total prior Years of Exposure, plus one.

The factors in the following Table shall be applied to the full time Class I., III., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

Classes	Step Rate Factors				
	Year 1	Year 2	Year 3	Year 4	Year 5
I, III, IX, X	0.29	0.54	0.73	0.81	0.90

- C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

**II. ADDITIONAL CLASSIFICATIONS**

**A. New Dentist**

A "new" dentist is defined as one of the following who enters full-time private or group practice:

- i. a student who has completed their training within the previous twelve months from license date
- ii. a military dentist within twelve months of honorable military discharge
- iii. a foreign dental school graduate who has not previously practiced in the US or its territories
- iv. a licensed dentist who has only previously practiced in the public service sector.

The following credits will apply:

- 60% of the first year in practice
- 40% of the second year in practice
- 20% of the third year in practice
- 10% of the fourth year in practice

**B. Corporations/Partnerships/Associations**

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

- a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or
- b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Additional Insured**

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

A Special Events endorsement (PL) may be added at no additional charge.

**D. Disability/Leave of Absence**

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

**E. Part Time**

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

**F. Professional Societies**

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

<u>Rating Basis</u>	<u>Premium</u>
Insured Society	\$255.00 Flat Charge
Component Society (member society of insured society)	\$ 51.00 Flat Charge

**G. Locum Tenens**

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

**H. Volunteer Dentist**

Coverage is written on an occurrence only basis for an annual premium of \$200.

**III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists**

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**IV. MINIMUM LIMITS OF LIABILITY**

Minimum limits of liability under this program shall be as follows:

Professional Liability:

1. Individual Practice:
  - a. Claims-Made: \$1,000,000 each claim  
\$3,000,000 aggregate
  - b. Occurrence: \$1,000,000 each claim  
\$1,000,000 aggregate
2. Dental Societies:  
(Claims-Made) \$1,000,000 each claim  
\$3,000,000 aggregate
3. Independent Contractor: Equal to above as appropriate

**V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY**

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

**A. Schedule Rating**

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

	<u>Credit</u>	<u>Debit</u>
<u>Procedure Mix</u>	0 – 25%	0 – 25%
Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.		
<u>Exposure Modification</u>	0 – 25%	0 – 25%
Applicable to those insureds who have an increased or reduced exposure.		
<u>Unusual Risk Characteristics</u>	0 – 25%	0 – 25%
<b>B. <u>Loss Prevention / Risk Management</u></b>	5 – 10%	XXX

A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Experience Rating**

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

**D. Group Discounts**

A single group practice policy issued to ten or more dentists is eligible for a premium discount based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduced administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discount is applicable:

<u>Group Size</u>	<u>Premium Credit</u>
10+	15%

**VI. CHANGE OF CLASSIFICATION**

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

- A. both the prior and current classification falls within the same class;
- B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;
- C. the practitioner changed classifications at any time while insured under occurrence coverage; or
- D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

**Premium Adjustment**

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

- A. Calculate the at-limits Extended Reporting Period premium appropriate for:
  - 1. the previous classification according to the rates and rules contained herein; and
  - 2. the premium appropriate for the current classification.
- B. If the at-limits Extended Reporting Period premium for the current classification:
  - 1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied; or
  - 2. exceeds the premium for the previous classification, there shall be no charge.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

Discount

100%	10 consecutive years of CNA coverage
90%	9 consecutive years of CNA coverage
80%	8 consecutive years of CNA coverage
70%	7 consecutive years of CNA coverage
60%	6 consecutive years of CNA coverage
50%	5 consecutive years of CNA coverage
40%	4 consecutive years of CNA coverage
30%	3 consecutive years of CNA coverage
20%	2 consecutive years of CNA coverage
10%	1 full year of CNA coverage
0%	Less than 1 full year of CNA coverage

**VII. INCREASED LIMITS OF LIABILITY**

Higher limits on **claims-made** policies may be elected up to a maximum liability limit of \$5,000,000 per claim/\$8,000,000 aggregate on the following basis:

Limits of Liability	Increased Limit Factor	
	Classes	
	<u>I &amp; IX</u>	<u>III &amp; X</u>
\$1,000,000/3,000,000	.020	.020
\$2,000,000/3,000,000	.160	.190
\$2,000,000/4,000,000	.176	.206
\$2,000,000/6,000,000	.204	.234
\$3,000,000/3,000,000	.260	.300
\$3,000,000/6,000,000	.308	.348
\$4,000,000/4,000,000	.325	.375
\$5,000,000/5,000,000	.375	.425
\$5,000,000/8,000,000	.424	.474

Rates are based off of the \$1,000,000/1,000,000 rates.

Higher limits on **occurrence** policies may be elected up to a maximum liability limit of \$2,000,000 per claim/\$2,000,000 aggregate on the following basis:

Limits of Liability	Increased Limit Factor	
	Classes	
	<u>I &amp; IX</u>	<u>III &amp; X</u>
\$1,000,000/3,000,000	.020	.020
\$2,000,000/2,000,000	.150	.180

Rates are based off of the \$1,000,000/1,000,000 rates.



**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**VIII. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage only)**

- A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:
1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.
  2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.
  3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.
  4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.
  5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured is at least 55 years of age and has been continuously insured by us for at least 5 consecutive years.

This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.
7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.
8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any monies received by the Company from the insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

9. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

Years of Prior Claims-Made Coverage	Installment Factors			Prepaid Factors
	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>	
1	.31	.23	.30	.79
2	.51	.35	.46	1.23
3	.61	.49	.46	1.45
4 or more	.73	.49	.46	1.57

- B. A one year extended reporting period for both the Employment Practices Liability (EPL) Defense Only coverage and the EPL Indemnity & Defense coverage is available. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.

Insureds that are converting their EPL Defense Only coverage to the EPL Indemnity & Defense coverage will be afforded a free unlimited extended reporting period on their expiring Defense Only coverage.

- C. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.

**IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)**

- A. The policy may be extended to provide Prior Acts Coverage as follows:

1. The Prior Acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims-made policy, nor shall limits of liability exceed those of the occurrence policy to which the Prior Acts endorsement shall be applied.
2. The premium for Prior Acts Coverage is a one time only charge payable in advance or over the first three policy years in annual installments, but calculated in advance by applying the applicable factors from the table shown to the current rate under this policy for limits of \$1,000,000/\$1,000,000.
3. If the limit of liability under this coverage is less than \$1,000,000/\$1,000,000, the premium developed shall be adjusted by the Prior Acts Decreased Limits Factors shown.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of \$1,000,000/\$1,000,000.
2. Enter the table at the appropriate Prior Acts Period.
3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

Prior Acts Period	Reporting Period			Prepaid Factors
	1st year	2nd year	3rd year	
1 year prior	.28	.25	.22	.71
2 years prior	.45	.41	.32	1.11
3 years prior	.55	.44	.40	1.31
4 or more years prior	.62	.45	.42	1.41

4. Apply the appropriate Decreased Limits Factor, if applicable:

<u>Decreased Limits (in \$000s)</u>	<u>Factor</u>
\$100 / \$300	.449
200 / 600	.590
250 / 750	.638
300 / 800	.682
400 / 900	.760
500 / 1,000	.816
1,000 / 1,000	1.000

C. Prior Acts for Employment Practices Liability Indemnity & Defense Coverage

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is \$30.

**X. LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

**XI. Consulting Service Liability**

Consulting Service Liability coverage is included on a shared limit basis at no additional cost.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. BUSINESS LIABILITY - (General Liability)**

**A. General Liability coverage written in conjunction with Property coverage (with or without Professional Liability coverage)**

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. If aggregate limits are to be applied separately to each location, the "first office" rate is to be used for each location. The "each additional office" charge shall not apply to Independent Contractors.

First Office:	\$175.00
Each Additional Office:	\$122.00

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

**B. General Liability coverage written in conjunction with Professional Liability coverage only**

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. If aggregate limits are to be applied separately to each location, the "first office" rate is to be used for each location. The "each additional office" charge shall not apply to Independent Contractors.

First Office:	\$50.00
Each Additional Office:	\$39.00

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

**C. Additional Insured**

An employer may be added to the policy at a charge of 5% of the policy's General Liability charge.

A Special Events endorsement (GL) may be added at no additional charge.

**II. LIMITS OF LIABILITY – (General Liability)**

The rates listed above are for limits of \$1,000,000 (each claim) / \$2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the \$1M/2M rate).

Individual Practice:

Increased Limit	Increased Limit Factor
\$1M/2M	1.000
\$1M/3M	1.011
\$2M/2M	1.071
\$2M/3M	1.085
\$2M/4M	1.098
\$2M/6M	1.124
\$3M/3M	1.160
\$3M/6M	1.202
\$4M/4M	1.240
\$5M/5M	1.320
\$5M/8M	1.351

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**III. ERISA FIDUCIARY AND EMPLOYEE BENEFITS LIABILITY INSURANCE**

This coverage may be provided at the following limits and rates:

<u>Limit</u>	<u>Premium</u>
\$100,000/100,000	\$132
\$250,000/250,000	\$162
\$500,000/500,000	\$200
\$750,000/750,000	\$227
\$1,000,000/1,000,000	\$250

**IV. FIRE AND WATER LEGAL LIABILITY**

The annual premium charges for Fire Damage limits excess of basic limit of \$500,000 are:

<u>Limit</u>	<u>Premium</u>
\$750,000	\$63
\$1,000,000	\$125

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. CALCULATION OF PREMIUMS - Property Coverages**

- A. The premium shall be the sum of the applicable charges developed below.
- B. The premium for coverage shall be determined by applying the following to the limits of liability:
1. Building  
Charge shall be determined by applying the following total rate to the limit of liability:
    - a. The applicable rates as shown on the State Rate Page (as determined by the insured's construction code).
    - b. The applicable rate in (a) will be modified by the applicable protection class factor shown on the State Rate Pages.
  2. Blanket Practice Personal Property
    - a. Limits of Liability for this coverage shall be calculated as the sum of the values for:
      - i. Contents at the premises;
      - ii. Property Off Premises;
      - iii. Accounts Receivable and Valuable Papers including x-rays and charts, we will automatically provide \$25,000 of coverage for these items.
    - b. Base rate shall be:
      - i. Specific annual Blanket Practice Personal Property rate (as shown on State Rate Page) based on the building's construction code,
      - ii. Multiplied by the appropriate protection class factor.
  3. Base rates for Building and/or Blanket Practice Personal Property contemplate a \$250 fixed dollar deductible with no Windstorm or Hail cause of loss. Higher fixed dollar deductibles and percentage deductibles for Windstorm or Hail are available with the following credit factors:

Fixed Dollar Deductible	Windstorm or Hail Deductible			
	None	1%	2%	5%
250	1.00	0.98	0.97	0.96
500	0.96	0.94	0.93	0.92
1,000	0.88	0.87	0.86	0.85
2,500	0.82	0.81	0.80	0.79
5,000	0.72	0.71	0.70	0.69
10,000	0.57	0.56	0.55	0.54

4. Inflation Protection Coverage

The insured must select to have the applicable limits of liability for Buildings increased automatically every quarter. In addition, the insured may elect to have the applicable limits of liability for Blanket Practice Personal Property increased automatically every quarter. Either coverage will be associated with an increase in accordance with the following table:

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

Quarterly Increase Percentage	% of Annual Building / Blanket Property Premium	Quarterly Increase Percentage	% of Annual Building / Blanket Property Premium
0.30%	0.45%	2.5%	3.75%
0.40%	0.60%	3.0%	4.50%
0.50%	0.75%	3.5%	5.25%
1.00%	1.50%	4.0%	6.00%
1.50%	2.25%	4.5%	6.75%
2.00%	3.00%	5.0%	7.50%

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

**5. Time Element Coverages - Practice Income, Rents, Extra Expense**

**a. Practice Income is provided on:**

- i. A Value Daily Limit basis, beginning no sooner than 24 hours after the loss occurs for 32.5 days. Coverage may be increased by lengthening the number of days coverage applies (up to a maximum of 180 days). Coverage limit equals the daily income. Apply the Blanket Practice Personal Property rate to the total aggregate limit to calculate premium charge, where the total aggregate limit is the daily coverage limit times the number of coverage days.
- ii. An Actual Loss Sustained basis, beginning no sooner than 24 hours after the loss occurs for a maximum of 12 months. Premium charge equals 11.5% of the final Blanket Practice Personal Property premium as calculated in Rule I.B.2.b. There is no charge for the Actual Loss Sustained if the amount of Daily Value Limit purchased is equal to the actual daily income as supported by financial documentation.
- iii. Ten percent of the Practice Income premium will be charged in order to provide coverage for the first 24 hours of the loss.

**b. Rents Coverage**

Charges will be determined by applying the following to the limit of liability:

- i. the applicable building rates; and
- ii. modified by a factor of .55.

**c. Extra Expense Coverage**

Extra Expense Coverage is provided on an Actual Loss Sustained Basis for a period of 12 months beginning no sooner than 24 hours after the loss occurs. This coverage is provided at no charge.

**d. Business Income Limit**

An endorsement can be applied to remove the \$1,000,000 limit on the Business Income coverage for a fee of \$500.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Optional Coverages**

**1. Dishonesty Coverage**

- a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of \$25,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.
- b. Employee Dishonesty Insurance will be charged on a "per policy" basis.
- c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional \$1,000 of coverage.

Limits of Liability		
<u>Money / Securities</u>	<u>Pension / Welfare</u>	<u>Premium</u>
50,000	25,000	245.00
75,000	25,000	332.00
100,000	25,000	425.00
Increased Limits – Pension / Welfare (per \$1,000)		\$1.50

2. Increased Theft coverage for Precious Metals, beyond the \$2,500 provided by the policy, may be purchased. The rate for such additional coverage shall be \$0.60 per \$100 of value.
3. Increased Values of Signs not attached to the Building may be purchased. Value of signs attached to the building shall be included in the valuation of the Building.
4. Ordinance or Law Building Coverage - The first \$100,000 is provided at no charge. Additional limits may be purchased according to the following:
  - a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.
  - b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per \$100.
5. Ordinance or Law Tenant Improvements and Betterments Coverage with a limit of \$100,000 is provided at no charge.
6. Increased amounts of Dentist's Electronic Equipment coverage and Dentist's Electronic Equipment Extra Expense coverage may be purchased. The rate for such additional coverage shall be \$0.50 per \$100.00 of coverage, if the insureds meets specified underwriting criteria. Otherwise, the rate for such additional coverage shall be \$0.75 per \$100.00 of coverage.



**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

7. Back Up of Sewer or Drain with a limit of \$25,000 is provided at no charge. Increased limits can be purchased using the following rates:

<u>Limit</u>	<u>Per Location Charge</u>
\$50,000	\$40
\$100,000	\$80

8. Dentist's Equipment Breakdown coverage may be purchased. The rates for such coverage are:

Coverage Limit	Dental Equipment	Dental & HVAC Equipment
\$100,000 or less	\$186	247
200,000	302	430
300,000	357	584
400,000	428	592
500,000	460	675
600,000	474	756
700,000	511	805
800,000	552	832
900,000	585	858
1,000,000	610	880
1,250,000	713	975
1,500,000	795	1035
1,750,000	858	1,102
2,000,000	933	1,144
2,500,000	1,029	1,228
3,000,000	1,075	1,312
3,500,000	1,125	1,372
4,000,000	1,162	1,433
4,500,000	1,193	1,479
5,000,000	1,221	1,522

9. The PPP Gold endorsement is available at a rate of \$100.

10. A flat premium of \$25 will be charged each policy.

**II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE**

This Plan shall be applied after the application of all other rating procedures.

- A. Eligibility: This Plan may be applied to:

Blanket Practice Personal Property Coverages  
Building Coverages

- B. Limitations: This Plan may not be applied to:

Employee Dishonesty Coverage  
Welfare and Pension Plan Coverage

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

Base Loading  
PPP Gold Endorsement  
Flat Premium  
Equipment Breakdown Coverage

**C. Rating Procedure**

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

<u>RANGE OF RISK CHARACTERISTICS</u>	<u>MODIFICATIONS</u>		
	<u>Credits</u>		<u>Debits</u>
1. LOCATION			
Accessibility, congestion and exposures	10%	to	10%
2. BUILDING FEATURES			
Age, condition, and unusual structural features	10%	to	10%
3. PREMISES AND EQUIPMENT			
Care, condition, and type	10%	to	10%
4. PROTECTION			
Not otherwise recognized	10%	to	10%

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**III. PACKAGING OF COVERAGES**

If Property coverage is purchased in conjunction with Professional Liability coverage, a package discount factor shall be applied to a number of the Property rates. The package discount factor is stated on the respective State Rate Page and will be applied to the following coverages:

- Blanket Practice Personal Property
- Building
- Practice Income
- Rents
- Dentists Equipment Breakdown
- Additional Building Coverage
- Increased Limits for Pension/Welfare

The following coverages are excluded from application of the package discount factor:

- Increased Limits on Fine Arts
- Loss Assessment
- Builders Risk
- PPP Gold Endorsement
- Flat Premium

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**BOARD EXAM COVERAGE**

- A. It is permissible to provide restricted coverage for individuals who sit for Board Exams, but are not students (e.g., military personnel, dental graduates, or other dentists without professional liability coverage that are required to take a state board exam).
- B. Coverage provided to eligible insureds shall:
1. be limited to Dental Professional Liability only;
  2. be provided on an occurrence basis;
  3. apply only for the length of time for which the person is eligible;
  4. have maximum limits of liability in the amounts of :  
  
          \$1,000,000        each claim  
          \$3,000,000        aggregate
- C. Policies will be issued on an annual basis.
- D. Class Description

<u>Class</u>	<u>Description</u>	<u>Code No.</u>
VIII.	Any individual not currently enrolled in an accredited institution, but while a candidate for certification and/or licensure as a dentist.	80221

- E. Premium

<u>Class</u>	<u>Premium</u>
VIII.	\$75.00

Premium is fully earned at inception.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**I. APPLICATION OF MANUAL**

- A. This manual provides rules and premium, applicable to Dental Students.

**II. POLICY TERM**

- A. The policy term shall be continuous until canceled.
- B. Individual Student Certificates will be written for a term of one year, and, automatically extended at no charge during the expected graduation year for up to a maximum of 6 months from the date of graduation in the event that certification or license is not immediately obtained.

**III. PREMIUM COMPUTATION**

Compute the premium at policy inception and subsequently as the sum of the premiums represented by the number of Certificates being issued, using the rules, rates and rating plans in effect at the time.

**IV. CANCELLATION**

Premium for individual Certificates is considered as fully earned and no return premium shall be granted.

**V. COVERAGE**

- A. Coverage under the Certificate shall be as described in the Policy, with the issuance of summarized Certificates to the Insured Dental Student.
- B. Coverage under this program is Professional Liability on a Claims-Made basis.

**VI. PRIOR ACTS COVERAGE**

Prior Acts Coverage shall not be provided under this program.

**VII. EXTENDED CLAIM REPORTING PERIOD COVERAGE**

The extended claim reporting period under this program shall be unlimited and shall be provided at no additional charge. The aggregate limit shall be separate from and equal to the aggregate limit provided by the Certificate.

**VIII. LIMITS OF LIABILITY**

Limits of Liability for this program shall be as follows:

Each Certificate	\$1,000,000 Each Claim
	\$3,000,000 Aggregate

**IX. CERTIFICATE PREMIUM**

<u>Class</u>	<u>Premium</u>
Dental Student	\$30.00

**X. CLASS DESCRIPTION**

Any student who is in the process of completing their training in dentistry while enrolled in an accredited institution.

**Code No.**

80225

**Continental Casualty Company**  
**Dental Professional Program**

**Actuarial Memorandum**  
**Illinois**

With this filing, Continental Casualty Company ("CNA") proposes a number of changes to its Dental Professional Program in Illinois. The overall impact of these changes is -0.4%. These changes are itemized below:

**Changes to the Countrywide Pages:**

**Volunteer Coverage**

A class has been added for Volunteer Dentists. The existence of the coverage has been added to page CCC-DENTAL-GENERAL-2, CCC-DENTAL-PL-1, and CCC-DENTAL-PL-3. As this is a new class, there will be no rate impact.

**Dental Radiologists**

The Dental Radiologists class code has been added to Class I. The Class I rates will be used for these professionals. See page CCC-DENTAL-PL-1. As this is a new class, there will be no rate impact.

**New Dentist Discount**

The format of the New Dentist Discount section has changed, which has caused no change to the use of the discount. A licensed dentist who has only previously practiced in the public service sector has been added as a definition of a new dentist. See page CCC-DENTAL-PL-2. The rate impact will be negligible due to this addition.

**Group Discount**

A 15% discount has been added for single group practice policies issued to ten or more dentists to page CCC-DENTAL-PL-5.

**Increased Limit Factor**

An increased limit factor for \$2M/\$6M has been added to pages CCC-DENTAL-PL-6 and CCC-DENTAL-GL-1. Since these limits are being offered in addition to our other limits, there will be no rate impact.

**Consulting Service Liability**

The charge for the Consulting Service Liability coverage has been removed. (CCC-DENTAL-PL-9)  
The rate impact will be negligible due to this subtraction.

**Special Events Endorsement**

The charge for the Special Events Endorsement has been removed. See pages CCC-DENTAL-PL-3 and CCC-DENTAL-GL-1. The rate impact will be negligible due to this subtraction.

**Per Location General Liability Limit**

The ability to buy aggregate limits per location has been added. Previously, insureds were only able to buy aggregate limits for all locations. Since the limit is being offered in addition to the aggregate limit for all locations, there will be no rate impact. (CCC-DENTAL-GL-1)

**ERISA rates**

Increased limits have been added for the ERISA coverage. The \$500K and \$1M rates are based off of our CNA Connect rates, and the \$250K and \$750K rates are interpolated using an exponential curve. The change is reflected on page CCC-DENTAL-GL-2. There will be no rate impact since these are new limits.

#### Fire/Water Legal Liability

Additional Limits are added for Fire and Water Legal Liability coverage based on the rates for CNA's Long Term Care coverage. Since these limits are being offered in addition to our basic limit, there will be no rate impact. See page CCC-DENTAL-GL-2.

#### Business Income Waiting Period

The option of eliminating the 24 hour waiting period for Business Income average has been added. See page CCC-DENTAL-PROPERTY-2. Because this is a new option, there will be no rate impact.

#### Business Income Limit

The ability to remove the \$1M limit for Business Income coverage has been added to page CCC-DENTAL-PROPERTY-2. Because this is a new coverage, there will be no rate impact.

#### Employee Dishonesty

The limit of liability for Pension and Welfare coverage has been increased from \$15,000 to \$25,000 at no additional charge. See page CCC-DENTAL-PROPERTY-3.

#### Ordinance or Law Tenant Improvements or Betterments

Coverage has been added for Ordinance or Law Tenant Improvements or Betterments to page CCC-DENTAL-PROPERTY-3. Because there is no charge, and this is a new coverage, there will be no rate impact.

#### Equipment Breakdown Coverage

Rates were adopted from CNA's Business Owners Package Policy for the Equipment Breakdown coverage. These new rates are on page CCC-DENTAL-PROPERTY-4. The countrywide rate impact is -0.2%.

#### Back of Sewer or Drain Coverage

Rates were adopted from CNA's Business Owners Package Policy. As this is a new coverage, there is no rate impact. See page CCC-DENTAL-PROPERTY-4.

### Changes to the State Pages:

There were no changes to the State Pages.

Revised versions of the countrywide manual pages reflecting the changes outlined above are included with this submission.

COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY

**VII. ADDITIONAL PREMIUM CHARGES**

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change, even if the policy inception premium was less than the policy writing minimum premium.
- C. Waive additional premium of \$15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

**VIII. RETURN PREMIUM**

- A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Waive return premium of \$15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.
- E. Retain the policy writing minimum premium.

**IX. COVERAGES**

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

Professional Liability and General Liability  
Professional Liability, General Liability, and Property  
Professional Liability only  
General Liability and Property  
Property Only  
Non-Student Dental Board Exam  
Student Dental  
Volunteer Dental

Note: General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

- A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

- 1. Special Extra Expense (HIV);
- 2. Defense Coverage - Dental Professional Licensing Board; and
- 3. Employment Practices Liability - \$25,000 per Claim/\$25,000 Aggregate Defense Coverage\*

\* Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.



COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY

**I. DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage**

The premium for the policy shall be the sum of the applicable charges developed below.

- A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

Class	Description	Code No.
I.	Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. Also, dental radiologists are included.	80211 & 80253
III.	All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply.	80210
IV.	Dental School Faculty – Teaching dentists and graduate students with no intramural practice.	80213
VI.	Professional Corporations or Partnerships	80999
IX.	Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia.	90100
X.	Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia.	90101
XI.	Volunteer Dentists providing dental services and receiving no remuneration.	72990

- B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.
2. If the dentist has been insured under a "claims-made" policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
  - a. determine the number of years in which the dentist was covered under such claims-made policy(ies);
  - b. determine the number of years in which the dentist was uninsured;

COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY

- c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
- d. the sum of years developed in c. above shall be the Years of Prior Exposure. The Table is entered at the total prior Years of Exposure, plus one.

The factors in the following Table shall be applied to the full time Class I., III., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

Classes	Step Rate Factors				
	Year 1	Year 2	Year 3	Year 4	Year 5
I, III, IX, X	0.29	0.54	0.73	0.81	0.90

- C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

**II. ADDITIONAL CLASSIFICATIONS**

**A. New Dentist**

A "new" dentist is defined as one of the following who enters full-time private or group practice:

- i. a student who has completed their training within the previous twelve months from license date
- ii. a military dentist within twelve months of honorable military discharge
- iii. a foreign dental school graduate who has not previously practiced in the US or its territories
- iv. a licensed dentist who has only previously practiced in the public service sector.

The following credits will apply:

60% of the first year in practice  
40% of the second year in practice  
20% of the third year in practice  
10% of the fourth year in practice

**B. Corporations/Partnerships/Associations**

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

- a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or
- b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Additional Insured**

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

A Special Events endorsement (PL) may be added at no additional charge.

**D. Disability/Leave of Absence**

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

**E. Part Time**

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

**F. Professional Societies**

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

<u>Rating Basis</u>	<u>Premium</u>
Insured Society	\$255.00 Flat Charge
Component Society (member society of insured society)	\$ 51.00 Flat Charge

**G. Locum Tenens**

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

**H. Volunteer Dentist**

Coverage is written on an occurrence only basis for an annual premium of \$200.

**III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists**

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY

C. Experience Rating

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

D. Group Discounts

A single group practice policy issued to ten or more dentists is eligible for a premium discount based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduced administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discount is applicable:

<u>Group Size</u>	<u>Premium Credit</u>
10+	15%

VI. CHANGE OF CLASSIFICATION

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

- A. both the prior and current classification falls within the same class;
- B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;
- C. the practitioner changed classifications at any time while insured under occurrence coverage; or
- D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

- A. Calculate the at-limits Extended Reporting Period premium appropriate for:
  - 1. the previous classification according to the rates and rules contained herein; and
  - 2. the premium appropriate for the current classification.
- B. If the at-limits Extended Reporting Period premium for the current classification:
  - 1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied; or
  - 2. exceeds the premium for the previous classification, there shall be no charge.

COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY

C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

Discount

100%	10 consecutive years of CNA coverage
90%	9 consecutive years of CNA coverage
80%	8 consecutive years of CNA coverage
70%	7 consecutive years of CNA coverage
60%	6 consecutive years of CNA coverage
50%	5 consecutive years of CNA coverage
40%	4 consecutive years of CNA coverage
30%	3 consecutive years of CNA coverage
20%	2 consecutive years of CNA coverage
10%	1 full year of CNA coverage
0%	Less than 1 full year of CNA coverage

**VII. INCREASED LIMITS OF LIABILITY**

Higher limits on **claims-made** policies may be elected up to a maximum liability limit of \$5,000,000 per claim/\$8,000,000 aggregate on the following basis:

Limits of Liability	Increased Limit Factor	
	Classes	
	<u>I &amp; IX</u>	<u>III &amp; X</u>
\$1,000,000/3,000,000	.020	.020
\$2,000,000/3,000,000	.160	.190
\$2,000,000/4,000,000	.176	.206
\$2,000,000/6,000,000	.204	.234
\$3,000,000/3,000,000	.260	.300
\$3,000,000/6,000,000	.308	.348
\$4,000,000/4,000,000	.325	.375
\$5,000,000/5,000,000	.375	.425
\$5,000,000/8,000,000	.424	.474

Rates are based off of the \$1,000,000/1,000,000 rates.

Higher limits on **occurrence** policies may be elected up to a maximum liability limit of \$2,000,000 per claim/\$2,000,000 aggregate on the following basis:

Limits of Liability	Increased Limit Factor	
	Classes	
	<u>I &amp; IX</u>	<u>III &amp; X</u>
\$1,000,000/3,000,000	.020	.020
\$2,000,000/2,000,000	.150	.180

Rates are based off of the \$1,000,000/1,000,000 rates.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of \$1,000,000/\$1,000,000.
2. Enter the table at the appropriate Prior Acts Period.
3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

Prior Acts Period	Reporting Period			Prepaid Factors
	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>	
1 year prior	.28	.25	.22	.71
2 years prior	.45	.41	.32	1.11
3 years prior	.55	.44	.40	1.31
4 or more years prior	.62	.45	.42	1.41

4. Apply the appropriate Decreased Limits Factor, if applicable:

<u>Decreased Limits (in \$000s)</u>	<u>Factor</u>
\$100 / \$300	.449
200 / 600	.590
250 / 750	.638
300 / 800	.682
400 / 900	.760
500 / 1,000	.816
1,000 / 1,000	1.000

C. Prior Acts for Employment Practices Liability Indemnity & Defense Coverage

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is \$30.

**X. LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

**XI. Consulting Service Liability**

Consulting Service Liability coverage is included on a shared limit basis at no additional cost.

COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY

**I. BUSINESS LIABILITY - (General Liability)**

**A. General Liability coverage written in conjunction with Property coverage (with or without Professional Liability coverage)**

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. If aggregate limits are to be applied separately to each location, the "first office" rate is to be used for each location. The "each additional office" charge shall not apply to Independent Contractors.

First Office:	\$175.00
Each Additional Office:	\$122.00

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

**B. General Liability coverage written in conjunction with Professional Liability coverage only**

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. If aggregate limits are to be applied separately to each location, the "first office" rate is to be used for each location. The "each additional office" charge shall not apply to Independent Contractors.

First Office:	\$50.00
Each Additional Office:	\$39.00

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

**C. Additional Insured**

An employer may be added to the policy at a charge of 5% of the policy's General Liability charge.

A Special Events endorsement (GL) may be added at no additional charge.

**II. LIMITS OF LIABILITY – (General Liability)**

The rates listed above are for limits of \$1,000,000 (each claim) / \$2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the \$1M/2M rate).

Individual Practice:

Increased Limit	Increased Limit Factor
\$1M/2M	1.000
\$1M/3M	1.011
\$2M/2M	1.071
\$2M/3M	1.085
\$2M/4M	1.098
\$2M/6M	1.124
\$3M/3M	1.160
\$3M/6M	1.202
\$4M/4M	1.240
\$5M/5M	1.320
\$5M/8M	1.351

COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY

**III. ERISA FIDUCIARY AND EMPLOYEE BENEFITS LIABILITY INSURANCE**

This coverage may be provided at the following limits and rates:

<u>Limit</u>	<u>Premium</u>
\$100,000/100,000	\$132
\$250,000/250,000	\$162
\$500,000/500,000	\$200
\$750,000/750,000	\$227
\$1,000,000/1,000,000	\$250

**IV. FIRE AND WATER LEGAL LIABILITY**

The annual premium charges for Fire Damage limits excess of basic limit of \$500,000 are:

<u>Limit</u>	<u>Premium</u>
\$750,000	\$63
\$1,000,000	\$125



**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

Quarterly Increase Percentage	% of Annual Building / Blanket Property Premium	Quarterly Increase Percentage	% of Annual Building / Blanket Property Premium
0.30%	0.45%	2.5%	3.75%
0.40%	0.60%	3.0%	4.50%
0.50%	0.75%	3.5%	5.25%
1.00%	1.50%	4.0%	6.00%
1.50%	2.25%	4.5%	6.75%
2.00%	3.00%	5.0%	7.50%

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

**5. Time Element Coverages - Practice Income, Rents, Extra Expense**

**a. Practice Income is provided on:**

- i. A Value Daily Limit basis, beginning no sooner than 24 hours after the loss occurs for 32.5 days. Coverage may be increased by lengthening the number of days coverage applies (up to a maximum of 180 days). Coverage limit equals the daily income. Apply the Blanket Practice Personal Property rate to the total aggregate limit to calculate premium charge, where the total aggregate limit is the daily coverage limit times the number of coverage days.
- ii. An Actual Loss Sustained basis, beginning no sooner than 24 hours after the loss occurs for a maximum of 12 months. Premium charge equals 11.5% of the final Blanket Practice Personal Property premium as calculated in Rule I.B.2.b. There is no charge for the Actual Loss Sustained if the amount of Daily Value Limit purchased is equal to the actual daily income as supported by financial documentation.
- iii. Ten percent of the Practice Income premium will be charged in order to provide coverage for the first 24 hours of the loss.

**b. Rents Coverage**

Charges will be determined by applying the following to the limit of liability:

- i. the applicable building rates; and
- ii. modified by a factor of .55.

**c. Extra Expense Coverage**

Extra Expense Coverage is provided on an Actual Loss Sustained Basis for a period of 12 months beginning no sooner than 24 hours after the loss occurs. This coverage is provided at no charge.

**d. Business Income Limit**

An endorsement can be applied to remove the \$1,000,000 limit on the Business Income coverage for a fee of \$500.

**COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY**

**C. Optional Coverages**

**1. Dishonesty Coverage**

- a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of \$25,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.
- b. Employee Dishonesty Insurance will be charged on a "per policy" basis.
- c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional \$1,000 of coverage.

Limits of Liability		
<u>Money / Securities</u>	<u>Pension / Welfare</u>	<u>Premium</u>
50,000	25,000	245.00
75,000	25,000	332.00
100,000	25,000	425.00
Increased Limits -- Pension / Welfare (per \$1,000)		\$1.50

2. Increased Theft coverage for Precious Metals, beyond the \$2,500 provided by the policy, may be purchased. The rate for such additional coverage shall be \$0.60 per \$100 of value.
3. Increased Values of Signs not attached to the Building may be purchased. Value of signs attached to the building shall be included in the valuation of the Building.
4. Ordinance or Law Building Coverage - The first \$100,000 is provided at no charge. Additional limits may be purchased according to the following:
  - a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.
  - b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per \$100.
5. Ordinance or Law Tenant Improvements and Betterments Coverage with a limit of \$100,000 is provided at no charge.
6. Increased amounts of Dentist's Electronic Equipment coverage and Dentist's Electronic Equipment Extra Expense coverage may be purchased. The rate for such additional coverage shall be \$0.50 per \$100.00 of coverage, if the insureds meets specified underwriting criteria. Otherwise, the rate for such additional coverage shall be \$0.75 per \$100.00 of coverage.

COMPANY PAGES  
FOR  
DENTAL PROFESSIONAL PROGRAM  
CONTINENTAL CASUALTY COMPANY

7. Back Up of Sewer or Drain with a limit of \$25,000 is provided at no charge. Increased limits can be purchased using the following rates:

<u>Limit</u>	<u>Per Location Charge</u>
\$50,000	\$40
\$100,000	\$80

8. HVAC Equipment Breakdown coverage may be purchased. The rate is \$0.13 per \$1,000 limit.
9. The PPP Gold endorsement is available at a rate of \$100.
10. A flat premium of \$25 will be charged each policy.

**II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE**

This Plan shall be applied after the application of all other rating procedures.

- A. Eligibility: This Plan may be applied to:
- Blanket Practice Personal Property Coverages  
Building Coverages
- B. Limitations: This Plan may not be applied to:
- Employee Dishonesty Coverage  
Welfare and Pension Plan Coverage  
Base Loading  
PPP Gold Endorsement  
Flat Premium  
Equipment Breakdown Coverage
- C. Rating Procedure

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

<u>RANGE OF RISK CHARACTERISTICS</u>	<u>MODIFICATIONS</u>		
	<u>Credits</u>		<u>Debits</u>
1. LOCATION			
Accessibility, congestion and exposures	10%	to	10%
2. BUILDING FEATURES			
Age, condition, and unusual structural features	10%	to	10%
3. PREMISES AND EQUIPMENT			
Care, condition, and type	10%	to	10%
4. PROTECTION			
Not otherwise recognized	10%	to	10%